GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:324
ANSWERED ON:13.03.2003
SECURITY DEPOSITS ON LPG CYLINDERS
NARESH KUMAR PUGLIA

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government is considering a proposal to reduce the security deposits of LPG cylinders;

(b) if so, the details thereof;

(c) the total amount the LPG consumers have so far deposited against security deposits of LPG cylinders;

(d) the manner in which amount of security deposits is being utilised;

(e) whether the Government propose to give any interest to LPG consumers on this amount of security deposits; and

(f) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI RAM NAIK)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO.324 BY SHRI NARESH PUGLIA TO BE ANSWERED ON 13TH MARCH 2003 REGARDING SECURITY DEPOSITS ON LPG CYLINDERS

(a) to (f) : The public sector oil companies have reduced the rate of Security Deposit on domestic LPG cylinders from Rs.900/cylinder to Rs.700/cylinder for new domestic LPG connections with effect from 1st February 2002 and to Rs.650/cylinder for the new domestic LPG connections with effect from 3rd March2003. For the North-Eastern region, the rate of Security Deposit on domestic LPG cylinder is Rs.500 per cylinder.

The estimated cumulative amount of Security Deposit with the oil companies was around Rs.8,600 crore at the end of February 2003. The Security Deposit collected by the oil companies from the consumers is of refundable nature.This amount is used by the oil companies for procurement of new cylinders and pressure regulators, the maintenance / replacement of old cylinders and pressure regulators, etc. Administering payment of interest to around 6.90 crore domestic LPG consumers, who have paid Security Deposit at varying rates applicable from time to time, would be a huge task, involving extra costs. The amount of Security Deposit received from the customers is hence taken into consideration in determining the consumer prices of domestic LPG. Therefore, the oil companies do not propose to give any interest amounts to LPG consumers separately on the amount of Security Deposit.